

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	%	Current Year	Preceding Year	%
	30/9/2023 RM'000	30/9/2022 RM'000		30/9/2023 RM'000	30/9/2022 RM'000	
Revenue	383,932	377,000	1.8%	383,932	377,000	1.8%
Cost of sales	<u>(291,584)</u>	<u>(267,321)</u>	9.1%	<u>(291,584)</u>	<u>(267,321)</u>	9.1%
Gross profit	92,348	109,679	-15.8%	92,348	109,679	-15.8%
Other income	1,904	22,462	-91.5%	1,904	22,462	-91.5%
Finance income	15,241	8,662	76.0%	15,241	8,662	76.0%
Administrative expenses	<u>(19,091)</u>	<u>(20,096)</u>	-5.0%	<u>(19,091)</u>	<u>(20,096)</u>	-5.0%
Operating profit	90,402	120,707	-25.1%	90,402	120,707	-25.1%
Finance costs	(382)	(359)	6.4%	(382)	(359)	6.4%
Share of (loss)/profit of equity-accounted associate	<u>(303)</u>	<u>709</u>	-142.7%	<u>(303)</u>	<u>709</u>	-142.7%
Profit before tax	89,717	121,057	-25.9%	89,717	121,057	-25.9%
Tax expense	<u>(4,388)</u>	<u>(14,678)</u>	-70.1%	<u>(4,388)</u>	<u>(14,678)</u>	-70.1%
Profit for the financial period	<u>85,329</u>	<u>106,379</u>	-19.8%	<u>85,329</u>	<u>106,379</u>	-19.8%
Profit attributable to:						
Owners of the Company	84,978	106,252	-20.0%	84,978	106,252	-20.0%
Non-controlling interests	<u>351</u>	<u>127</u>	176.4%	<u>351</u>	<u>127</u>	176.4%
	<u>85,329</u>	<u>106,379</u>	-19.8%	<u>85,329</u>	<u>106,379</u>	-19.8%
Other comprehensive income, net of tax:						
Foreign currency translation of foreign operations	449	24,576	-98.2%	449	24,576	-98.2%
Total comprehensive income	<u>85,778</u>	<u>130,955</u>	-34.5%	<u>85,778</u>	<u>130,955</u>	-34.5%
Total comprehensive income attributable to:						
Owners of the Company	85,427	130,828	-34.7%	85,427	130,828	-34.7%
Non-controlling interests	<u>351</u>	<u>127</u>	176.4%	<u>351</u>	<u>127</u>	176.4%
	<u>85,778</u>	<u>130,955</u>	-34.5%	<u>85,778</u>	<u>130,955</u>	-34.5%

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>30/9/2023</u>	Preceding Year Corresponding Quarter <u>30/9/2022</u>	Current Year <u>30/9/2023</u>	Preceding Year <u>30/9/2022</u>
Earnings per share attributable to owners of the Company (sen) ⁽²⁾				
Basic	<u>2.27</u>	<u>2.86</u>	<u>2.27</u>	<u>2.86</u>
Diluted	<u>2.27</u>	<u>2.86</u>	<u>2.27</u>	<u>2.86</u>

Notes:

- (1) The condensed unaudited consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.
- (2) Basic earnings per share is calculated based on the profit for the financial period attributable to owners of the Company divided by the weighted average number of ordinary shares in issue. Diluted earnings per share is calculated by dividing the profit for the financial period attributable to owners of the Company to the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))

**NOTES TO CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	Quarter	Quarter
	<u>30/9/2023</u>	<u>30/9/2022</u>	<u>30/9/2023</u>	<u>30/9/2022</u>
	RM'000	RM'000	RM'000	RM'000
Reversal for slow moving inventories	(3,349)	(1,123)	(3,349)	(1,123)
Depreciation	29,369	26,897	29,369	26,897
Loss on disposal of property, plant and equipment	18	28	18	28
Property, plant and equipment written off	1	-	1	-
<u>Loss*/(Gain)** on foreign exchange translation</u>				
- Realised	(159)	(15,479)	(159)	(15,479)
- Unrealised	824	(5,753)	824	(5,753)
* <i>Included in "Administrative expenses"</i>				
** <i>Included in "Other income"</i>				
<u>Finance costs/(income)</u>				
- Interest expenses***	382	359	382	359
- Interest income	(15,241)	(8,662)	(15,241)	(8,662)

*** *Included finance costs of lease liabilities*

There is no income/expenses in relation to the below items:

- Provision of doubtful debt

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽⁶⁾
AS AT 30 SEPTEMBER 2023

	Unaudited As at 30-Sep-23 RM'000	Audited As at 30-Jun-23 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	523,129	509,024
Intangible assets	2,492	2,486
Investment in an associate	6,372	6,675
Deferred tax assets	9,925	9,918
	<u>541,918</u>	<u>528,103</u>
Current assets		
Inventories	188,905	183,216
Trade and other receivables	392,320	411,037
Tax recoverable	25,061	13,402
Cash and cash equivalents ⁽⁵⁾	1,818,444	1,830,994
	<u>2,424,730</u>	<u>2,438,649</u>
TOTAL ASSETS	<u>2,966,648</u>	<u>2,966,752</u>
EQUITY AND LIABILITIES		
Share capital ⁽³⁾	2,061,722	2,033,398
Other reserves	70,885	72,678
Retained earnings	506,718	496,554
Equity attributable to owners of the Company	<u>2,639,325</u>	<u>2,602,630</u>
Non-controlling interests	<u>3,569</u>	<u>3,218</u>
Total equity	<u>2,642,894</u>	<u>2,605,848</u>
Non-current liabilities		
Lease liabilities	15,403	15,159
Retirement benefits obligations	2,987	2,787
Deferred tax liabilities	10,952	11,508
	<u>29,342</u>	<u>29,454</u>
Current liabilities		
Trade and other payables	216,021	276,119
Lease liabilities	242	345
Tax payable	3,335	2,725
Dividend payable	74,814	52,261
	<u>294,412</u>	<u>331,450</u>
Total liabilities	<u>323,754</u>	<u>360,904</u>
TOTAL EQUITY AND LIABILITIES	<u>2,966,648</u>	<u>2,966,752</u>
Net assets per share attributable to owners of the Company ⁽⁴⁾ (RM)	<u>0.7050</u>	<u>0.6972</u>

Notes:

- (3) Based on 3,743,747,999 (as at 30 June 2023: 3,732,934,799) ordinary shares in issue as at 30 September 2023.
- (4) Net assets per share attributable to owners of the Company is computed based on equity attributable to owners of the Company divided by the total number of ordinary shares in issue.
- (5) The cash and cash equivalents consist of RM1,267.2 million (as at 30 June 2023: RM1,370.5 million) is placed in Islamic deposit and current accounts and Islamic money market instruments with licensed financial institutions.
- (6) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽⁷⁾
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	<-----Attributable to Owners of the Company----->							
	<-----Non-Distributable----->			Foreign currency translation reserve	Distributable			Non- controlling interests RM'000
	Share capital RM'000	Capital reserve RM'000	ESOS reserve RM'000	RM'000	Retained earnings RM'000	Total RM'000		
At 1 July 2023	2,033,398	5,387	11,683	55,608	496,554	2,602,630	3,218	2,605,848
Total comprehensive income for the period	-	-	-	449	84,978	85,427	351	85,778
<i>Transactions with owners:</i>								
Ordinary share issued pursuant to exercise of ESOS	28,324	-	(2,242)	-	-	26,082	-	26,082
Dividends	-	-	-	-	(74,814)	(74,814)	-	(74,814)
	28,324	-	(2,242)	-	(74,814)	(48,732)	-	(48,732)
At 30 September 2023	2,061,722	5,387	9,441	56,057	506,718	2,639,325	3,569	2,642,894
At 1 July 2022	1,977,180	5,387	21,037	27,983	473,464	2,505,051	5,984	2,511,035
Total comprehensive income for the period	-	-	-	24,576	106,252	130,828	127	130,955
<i>Transactions with owners:</i>								
Ordinary share issued pursuant to exercise of ESOS	48,685	-	(8,130)	-	-	40,555	-	40,555
Dividends	-	-	-	-	(81,644)	(81,644)	-	(81,644)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(4,256)	(4,256)
	48,685	-	(8,130)	-	(81,644)	(41,089)	(4,256)	(45,345)
At 30 September 2022	2,025,865	5,387	12,907	52,559	498,072	2,594,790	1,855	2,596,645

Notes:

(7) The condensed unaudited consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽⁸⁾
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Cumulative Quarter 3 Months Ended 30/9/2023 RM'000	Cumulative Quarter 3 Months Ended 30/9/2022 RM'000
OPERATING ACTIVITIES		
Profit before tax	89,717	121,057
Adjustments for:		
Depreciation	29,369	26,897
Interest income	(15,241)	(8,662)
Interest expenses	382	359
Loss on disposal of property, plant and equipment	18	28
Reversal for slow moving inventories	(3,349)	(1,123)
Provision for retirement benefits obligations	199	193
Property, plant and equipment written off	1	-
Share of loss/(profit) of equity-accounted associate	303	(709)
Unrealised loss/(gain) on foreign exchange	824	(5,753)
Operating profit before working capital changes	102,223	132,287
Changes in working capital:		
Inventories	1,350	6,893
Receivables	32,079	51,120
Payables	(70,662)	(66,015)
Cash generated from operations	64,990	124,285
Income tax paid	(15,717)	(10,711)
Income tax refunded	276	-
Interest received	15,241	8,662
Interest paid	(204)	(359)
Net cash from operating activities	64,586	121,877
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	7	7
Acquisition of property, plant and equipment	(43,365)	(15,606)
Net cash used in investing activities	(43,358)	(15,599)
FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(52,261)	(81,561)
Dividend paid to non-controlling interests	-	(4,256)
Net repayment of lease liabilities	(79)	(125)
Net proceeds from issuance of ESOS	26,082	40,555
Net cash used in financing activities	(26,258)	(45,387)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(5,030)	60,891
Effects of changes in foreign exchange rates	(7,585)	20,880
CASH AND CASH EQUIVALENT AT BEGINNING	1,803,506	1,917,352
CASH AND CASH EQUIVALENT AT END	1,790,891	1,999,123
Represented by:		
Cash and cash equivalents	1,818,444	2,055,735
Less: Fixed deposits more than 3 months to maturity	(27,553)	(56,612)
	1,790,891	1,999,123

Notes:

(8) The condensed unaudited consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE REPORT

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2023.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 30 June 2023 except for the adoption of the following new MFRSs and amendments/improvements to MFRSs that are issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2023:

<u>Amendments/Improvements to MFRSs</u>		<u>Effective for annual period beginning on or after</u>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112	Income Taxes – International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2024

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NOTES TO THE REPORT

2. Changes in Accounting Policies (continued)

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 30 June 2023 except for the adoption of the following new MFRSs and amendments/improvements to MFRSs that are issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2023 (continued):

<u>Amendments/Improvements to MFRSs</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 101	Presentation of Financial Statements – Non-current Liabilities with Covenants 1 January 2024
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures – Supplier Finance Arrangements 1 January 2024
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability 1 January 2025
Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Deferred

The adoption of the above new MFRSs and amendments/improvements to MFRSs are not expected to have any material financial impact on the financial statements of the Group.

3. Auditors’ Report on Preceding Annual Financial Statements

The preceding annual financial statements of the Group were reported without any audit qualification.

4. Comments About Seasonal or Cyclical Factors

There were no material seasonal or cyclical factors affecting the results of the quarter under review.

5. Unusual Items Due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence during the period under review.

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6. Changes in Estimates

There were no changes in the estimates of amounts which give a material effect in the period under review.

7. Debt and Equity Securities

During the financial period, the issued and paid-up ordinary share capital of the Company was increased from RM2,033,397,743 to RM2,061,721,764 by way of issuance of 10,813,200 new ordinary shares pursuant to the exercise of share options under the Employees' Share Option Scheme 2022 ("ESOS 2022") at the following exercise prices:

Exercise price and number of shares issued

<i>Exercise price (RM)</i>	<i>2.560</i>	<i>2.340</i>
<i>No of shares issued</i>	<i>3,541,900</i>	<i>7,271,300</i>

The new ordinary shares issued pursuant to the exercise of ESOS 2022 rank pari passu with the existing ordinary shares of the Company.

Other than the above, there were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter and financial period under review.

8. Dividends Paid

Dividends paid during the financial period ended 30 September 2023 were as follows:

- i. Third interim single tier dividend of 1.40 sen per ordinary share amounting to RM52.3 million for the financial year ended 30 June 2023 paid on 7 July 2023.

9. Segmental Information

Business segments

The Group has only one reportable business segment that is its manufacturing of electronic products segment. As such, no operating segment information is reported.

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NOTES TO THE REPORT

9. Segmental Information (continued)

Geographical information

The Group's revenue disaggregated by primary geographical markets is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30/09/2023 RM'000	Quarter Ended 30/09/2022 RM'000	Period To date 30/09/2023 RM'000	Period To date 30/09/2022 RM'000
Malaysia	18,275	25,608	18,275	25,608
Singapore	339,549	323,919	339,549	323,919
China	22,444	27,120	22,444	27,120
Others	3,664	353	3,664	353
	<u>383,932</u>	<u>377,000</u>	<u>383,932</u>	<u>377,000</u>

10. Valuation of Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

11. Material Events Subsequent to the end of the Quarter

Save as disclosed in Note 5 in Part B of this report on the status of corporate proposals, there were no other material events subsequent to the end of the current quarter and financial period under review and up to the date of this report that have not been reflected in this interim financial report.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period under review.

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NOTES TO THE REPORT

13. Contingent Liabilities and Contingent Assets

	30/09/2023	30/09/2022
	RM'000	RM'000
Corporate guarantee extended to licensed banks and financial institutions for credit facilities granted to subsidiaries:		
- Limit	5,000	13,000
- Amount utilised	<u>4,908</u>	<u>75</u>

There is no contingent asset as at the date of this report.

14. Capital Commitments

	30/09/2023	30/09/2022
	RM'000	RM'000
Authorised and contracted for:		
- Construction of building	1,074	1,262
- Purchase of plant, machinery and equipment	18,676	20,396
- Purchase of land	6,601	-
	<u>26,351</u>	<u>21,658</u>

15. Significant Related Party Transactions

There is no significant transaction with related parties.

16. Financial Derivatives

The Group enters into forward exchange contracts to manage its exposure to sales and purchases transactions and local operating expenditure that are denominated in USD. There is no change to the type of derivative financial contract entered into, risk associated with the derivatives, cash requirements of the derivatives and the risk management objectives and policies for the derivative financial contracts since the previous financial year ended 30 June 2023.

The notional value of foreign currency forward contracts as at financial period under review is as follows:

	30/09/2023	30/09/2022
	RM'000	RM'000
Foreign currency hedging contracts		
Notional value of contracts*	<u>38,927</u>	<u>56,988</u>

* Equivalent to USD 8,300,000 (30 September 2022: USD 12,279,000)

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17. Fair Value of Financial Liabilities

The carrying amounts of the financial liabilities as at the end of the reporting period approximate to their fair value due to their short term nature, or that they are floating rate instruments that are re-priced to market interest rate on or near the end of the reporting period. Hence, there is no fair value gain or loss on financial liabilities.

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Part B - Additional Information as Required by the Main Market Listing Requirements of Bursa Securities

1. Review of Performance

Comparison with the corresponding quarter in the previous financial year

The Group recorded revenue of RM383.9 million for the current quarter, a marginal increase of 1.8% compared to the same quarter in the previous year of RM377.0 million. The increase was mainly due to higher revenue growth in the RF business segment.

The Group achieved profit after tax of RM85.3 million for the current quarter, a decrease of 19.8% from RM106.4 million recorded in the corresponding quarter in the previous financial year was mainly due to more favorable movement in forex exchange rates in the previous corresponding quarter, increase in electricity rates as well as losses arising from glitches in electricity supply experienced during the quarter.

Comparison with the immediate preceding quarter

The Group's revenue increased by 28.5% to RM383.9 million in the current quarter from RM298.8 million in the immediate preceding quarter. The increase was mainly due to comparatively higher revenue growth in all business segments especially in the RF segment.

The Group recorded profit after tax of RM85.3 million for the current quarter, an increase of 25.0% from RM68.2 million recorded in the immediate preceding quarter. The increase was mainly due to higher revenue growth in the current quarter, offset with favorable movement in forex exchange rates in the immediate preceding quarter.

Financial year to date against preceding financial year

The financial performance review is included under the comparison with the corresponding quarter in the previous financial year.

2. Commentary on Prospects

Gartner published in its 3Q23 forecast update on 4th October 2023 that global semiconductor revenue is projected to decline 10.9% in 2023 and growth of 16.8% in 2024 to reach USD624.4 billion, as demand rebounds.

International Data Corporation (IDC) in its publication on 30 August 2023 reported that the worldwide smartphone shipments are forecasted to decline 4.7% in 2023 to 1.15 billion units. Despite the lower forecast for 2023, the market is expected to recover in 2024 with 4.5% year-over-year growth.

Thus far in 2023, the Group has performed better than industry forecasts.

Looking ahead, the Group continues to be focussed on strategies to improve our production capacity and utilisation, strengthen our operational efficiencies to grow revenue consistent with or better than industry forecasts in 2024.

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3. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee previously in any public document.

4. Taxation

The taxation charges for the current quarter and financial period ended 30 September 2023 are as follows:

	Individual Quarter ended		Cumulative period ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- Current tax	(5,068)	(14,680)	(5,068)	(14,680)
- Deferred tax	680	2	680	2
	(4,388)	(14,678)	(4,388)	(14,678)

The effective tax rate of the Group for the current financial quarter and financial period ended 30 September 2023 is lower than the statutory tax rate of 24% as certain subsidiaries have been granted with tax incentives under the Promotion of Investment Act, 1986.

5. Status of Corporate Proposals

Joint Venture Contract

Amertron International Limited (“AIL”), an indirect wholly-owned subsidiary of the Company, had on 28 June 2022 entered into a Joint Venture Contract (“JV Contract”) and an Equity Subscription Agreement (“ESA”) with CFTC (Yiwu) Equity Investment Fund Partnership (Limited Partnership) (“CFTC (Yiwu)”) and CFTC Equity Investment Management (Beijing) Co. Ltd (“CFTC Equity”) for the purpose of carrying out OSAT manufacturing and related businesses in China for the China market and to expand the existing operations of the Group in the China market under a joint-venture company, namely Yiwu Semiconductor International Corporation (“JV Company”).

Pursuant to the terms of the ESA, the registered capital of the JV Company has been increased from RMB770,001,000 to RMB1,691,001,000, for which the Group via AIL had become the majority shareholder holding 54.46% of the enlarged share capital of the JV Company.

As of 30 September 2023, AIL had subscribed for the registered capital amounting to RMB210,700,000 by way of cash and RMB240,590,000 by transferring 49% of the equity interest in ATK to the JV Company. The subscription for the remaining registered capital of RMB469,710,000 comprising RMB219,300,000 by way of cash and the transfer of the remaining 51% equity interest in ATK valued at RMB250,410,000 to the JV Company are expected to be completed by end of calendar year 2023.

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5. Status of Corporate Proposals (continued)

Joint Venture Contract (continued)

As at 30 September 2023, pending for the completion of cash and equity contribution as mentioned above and the fulfilment of the terms and conditions as stipulated in the JV Contract and ESA which is designed to form a single transaction to achieve an overall commercial effect, all the cash payments contributed by AIL are recognised as prepayments. The Group deems no change in the equity ownership of ATK during this transition period and remains in control over ATK and the Group consolidated ATK in full for the current financial period.

6. Status of Utilisation of Proceeds

On 30 July 2021, the Company had completed a private placement with the listing of and quotation for 333,000,000 Inari Shares at the issue price of RM3.10 per placement share on the Main Market of Bursa Malaysia Securities Berhad with the gross proceeds of RM1,032.3 million. As at 30 September 2023, the status of utilisation of proceeds raised is set out in the table below.

On 22 November 2023, the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised proceeds earmarked for the capital expenditure, acquisition and investments for another 24 months from 30 January 2024 to 29 January 2026. The Board is of the opinion that the extension of time is in the best interest of the Group.

Details	Proposed Utilisation RM'000	Actual Utilisation RM'000	Reallocation RM'000	Unutilised Proceeds RM'000	Revised Intended Timeframe of Utilisation
1 Capital expenditure, acquisitions and investments	1,015,500	*(378,532)	4,639	641,607	29 January 2026
2 Expenses in relation to the private placement	16,800	(12,161)	^ (4,639)	-	-
	1,032,300	(390,693)	-	641,607	

Note:-

* Consist of:-

- i. Capital expenditure: RM241.8 million
- ii. Acquisitions and investments: RM136.7 million

^ The actual amount incurred for expenses in relation to the private placement was RM12.2 million with deviation of RM4.6 million being adjusted to the proceeds earmarked for capital expenditure, acquisitions and investments purposes.

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6. Status of Utilisation of Proceeds (continued)

The balance of unutilised proceeds amounting to RM641.6 million is placed in interest bearing deposit accounts with licensed financial institutions or in money market instruments, pending its utilisation within the intended timeframe.

7. Group Borrowings and Debt Securities

There is no outstanding borrowings during the financial period under review

8. Material Litigation

The Group was not engaged in any litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group

9. Dividend

The Directors propose the first single tier interim dividend of 2.20 sen per ordinary share in respect of the financial year ending 30 June 2024.

The entitlement date and payment date are on 15 December 2023 and 5 January 2024 respectively.

Total dividend for the financial year ending 30 June 2024 and financial year ended 30 June 2023 are summarised as follow:

	Net Per Share FY2024 (sen)	Net Per Share FY2023 (sen)
<u>First Interim Dividend</u>		
Single tier dividend	2.20	2.60
<u>Second Interim Dividend</u>		
Single tier dividend	*	2.20
<u>Third Interim Dividend</u>		
Single tier dividend	*	1.40
<u>Fourth Interim Dividend</u>		
Single tier dividend	*	2.00
	<hr/> 2.20 <hr/>	<hr/> 8.20 <hr/>

* Not applicable for the current quarter under review.

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10. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to owners of the Company to the weighted average number of ordinary shares in issue during the financial quarter and financial period.

	Individual Quarter ended		Cumulative Period ended	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Net profit attributable to owners of the Company (RM'000)	84,978	106,252	84,978	106,252
Weighted average number of ordinary shares in issue ('000)	3,736,694	3,710,478	3,736,694	3,710,478
Basic earnings per share (sen)	2.27	2.86	2.27	2.86

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to owners of the Company to the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS granted by the reporting date.

	Individual Quarter ended		Cumulative Period ended	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Net profit attributable to owners of the Company (RM'000)	84,978	106,252	84,978	106,252
Weighted average number of ordinary shares (basic) ('000)	3,736,694	3,710,478	3,736,694	3,710,478
Effect of dilution due to ESOS ('000)	11,363	3,235	11,363	3,235
Weighted average number of ordinary shares (diluted) ('000)	3,748,057	3,713,713	3,748,057	3,713,713
Diluted earnings per share (sen)	2.27	2.86	2.27	2.86

By Order of the Board,

Company Secretary
22 November 2023